

Counterintelligence

Executive Summary

Mission

The Department of Energy (DOE) is an agency that stands as a core member of the National Security Team, key to providing the nuclear deterrent through the National Nuclear Security Administration (NNSA), a cornerstone of our nation's security. The Department's contribution to National Security does not stop with its nuclear weapon mission, but extends to its activities in counter-proliferation, ensuring the nation's energy supply, and maintaining a leading position in scientific research. Currently, as a leader in the world science community, it shares not only its discoveries, but its exceptional research resources with scientists, engineers and technicians from around the globe.

Strategic Objective

CM5: Reduce Adverse safeguards and security incidents, worker injuries, and environmental releases through policy development, counterintelligence, intelligence, and oversight of the Nation's energy infrastructure, nuclear weapons, materials, facilities, and information assets.

This strategic objective is supported by the Program Strategic Performance Goals that follow:

The Counterintelligence (CI) goal is to protect Department of Energy (DOE) and National Nuclear Security Administration (NNSA) classified and sensitive programs and information, personnel, and assets from foreign intelligence collection and international terrorist activities; and to detect and deter trusted insiders who would engage in activities on behalf of a foreign intelligence service or foreign terrorist entity.

Performance Indicators

- Administer investigations that support mitigation of the foreign intelligence and international terrorist threat and identify matters that require further investigation by the FBI,
- Develop threat assessments that identify targeting of DOE/NNSA personnel and assets,
- Develop a multi-media CI awareness program that enhances employee understanding of CI issues with measurable employee feedback,
- Develop and deploy an enhanced anomaly detection capability for DOE/NNSA to address cyber threats,
- Conduct inspections of CI programs to ensure a comprehensive and quality effort at DOE/NNSA sites, and
- Through polygraph administration and other CI evaluation means, vet employees assigned to or being considered for high-risk positions.

Strategy

The CI Program's seven major program areas – Analysis, Investigations, Information and Special Technologies, Training and Awareness, CI Evaluations, Polygraph, and Inspections – form a core program to counter the significant foreign intelligence threat posed to the Department's laboratory complex and personnel. A brief discussion of each of these program areas follows:

1. The **Analysis Program** advises its consumers of the foreign intelligence threat to DOE information, technology, and personnel, identifying CI trends and helping customers to target their resources most effectively. The Program also has started to assess the threat to DOE and NNSA from foreign terrorist activity. The Program produces strategic and tactical threat assessments, case studies, program reviews, formal presentations, briefings, and disseminates time sensitive indications and warning notices. This Program has a broad range of customers, including DOE Headquarters, Field and Laboratory personnel, United States Intelligence Community (USIC) personnel, and U.S. policymakers.
2. The **Investigations Program** is dedicated to identifying, resolving and reporting to appropriate agencies, information, which may indicate foreign government intelligence and international terrorist activities, directed at, or involving, DOE/NNSA programs, facilities, technology, personnel and information.
3. The **Information and Special Technologies Program** (ISTP) gathers information and conducts activities to protect against the cyber dimensions of espionage and other intelligence activities conducted on behalf of foreign powers, international terrorist elements and other foreign organizations or persons that target or threaten DOE, its associated institutions, or the critical infrastructures of the U.S. Energy Sector.
4. The **Counterintelligence Evaluation Program** conducts CI evaluations, to include the review of CI polygraph examinations, and personnel security files on DOE and contractor employees and applicants for employment, and other individuals assigned or detailed to programs deemed to be at "High Risk" to foreign intelligence targeting.
5. The **Polygraph Program** conducts CI-scope polygraph examinations for individuals with access to the most sensitive and classified information and materials in connection with the Department's Atomic Energy Defense Activities.
6. The **Inspection Program** conducts evaluations of all DOE/NNSA facilities to ensure they are receiving quality CI support and that the facilities and CI elements of the Department are adhering to all regulatory and policy requirements.
7. The **Training and Awareness Program** has two focus areas to (1) provide training to DOE CI professionals, and (2) to provide CI awareness information and training to the DOE/NNSA workforce.

Program Overview

The program has established the analytical, investigative, inspection, information and special technologies, polygraph, CI evaluation, and training and awareness capabilities necessary to identify and address foreign intelligence targeting and collection activities directed at Department facilities.

Budget Overview

The FY 2004 request of \$45.9 million is unchanged from the FY 2003 request of \$45.9 million.

Counterintelligence

Program Mission

The Department of Energy (DOE) is an agency that stands as a core member of the National Security Team, key to providing the nuclear deterrent through the National Nuclear Security Administration (NNSA), a cornerstone of our nation's security. The Department's contribution to National Security does not stop with its nuclear weapon mission, but extends to its activities in counter-proliferation, ensuring the nation's energy supply, and maintaining a leading position in scientific research. Currently, as a leader in the world science community, it shares not only its discoveries, but its exceptional research resources with scientists, engineers and technicians from around the globe.

Program Strategic Performance Goal

The Office of Counterintelligence (OCI) program strategic performance goal is as follows:

The Counterintelligence (CI) goal is to protect DOE and NNSA classified and sensitive programs and information, personnel, and assets from foreign intelligence collection and international terrorist activities; and to detect and deter trusted insiders who would engage in activities on behalf of a foreign intelligence service or foreign terrorist entity.

This strategic goal is accomplished in conjunction with the NNSA Office of Defense Nuclear Counterintelligence.

Performance Indicators

- Administer investigations that support mitigation of the foreign intelligence and international terrorist threat and identify matters that require further investigation by the Federal Bureau of Investigation (FBI),
- Develop threat assessments that identify targeting of DOE/NNSA personnel and assets,
- Develop a multi-media CI awareness program that enhances employee understanding of CI issues with measurable employee feedback,
- Develop and deploy an enhanced anomaly detection capability for DOE/NNSA to address cyber threats,
- Conduct inspections of CI programs to ensure a comprehensive and quality effort at DOE/NNSA sites, and
- Through polygraph administration and other CI evaluation means, vet employees assigned to or being considered for high-risk positions.

Annual Performance Results and Targets

FY 2002 Results	FY 2003 Targets	FY 2004 Targets
Complete the CI Implementation Plan's recommendations.	<p>Conduct 9,500 briefings/debriefings of DOE/NNSA travelers as well as those who are host to sensitive country assignees.</p> <p>Develop a minimum of 20 tactical threat products, regularly update strategic and site specific threat assessments, and play a key role in producing the U.S. Intelligence Community assessment of the threat to DOE mandated by Presidential Decision Directive.</p> <p>Conduct 10 inspections and 2 re-inspections of site CI programs to ensure a comprehensive and quality effort at DOE/NNSA sites.</p>	<p>Conduct 9,500 briefings/debriefings of DOE/NNSA travelers as well as those who are host to sensitive country assignees.</p> <p>Develop a minimum of 20 tactical threat products, regularly update strategic and site specific threat assessments, and play a key role in producing the U.S. Intelligence Community assessment of the threat to DOE mandated by Presidential Decision Directive.</p> <p>Conduct 10 inspections and 2 re-inspections of site CI programs to ensure a comprehensive and quality effort at DOE/NNSA sites.</p> <p>Prepare and disseminate Cyber related reports and analysis generated by the IMAC project and the Operations Analysis Center for each site monthly (total of 156 reports)</p> <p>Conduct awareness program for employees at DOE/NNSA facilities.</p>

Significant Accomplishments and Program Shifts

- The Inspections are an important part of ensuring compliance with PDD-61, the CI Implementation Plan and other DOE CI requirements. Inspection teams are composed of former senior FBI, law enforcement, and other USIC officials with extensive CI and senior management experience. The Inspections program completed 14 Inspections, published a CI Standards guide and completed lessons learned and best practices in the Program's first "Trends" document. Efforts of this program have validated major improvements across all elements of the CI program.
- The Analysis Program participated in joint analytical projects with the Field Intelligence Elements across the complex and participated in several briefings to DOE management and the USIC describing the foreign intelligence threat.
- The Analysis program began work to assess the foreign terrorist threat to DOE and NNSA, and has been transmitting relevant USIC threat information in this area to CI field personnel.
- The Analysis Program initiated a new product line called "CI Notes." These tactical products provide customers with actionable analysis on matters of CI and Counterterrorism relevance. The Program updates on a regular basis existing Foreign Intelligence Threat Summaries, intended to aid Field CI officers in briefing cleared DOE personnel on the foreign threat, and produced several tactical threat products in support of particular DOE/NNSA programs.
- The Information and Special Technologies Program (ISTP) deployed an operational anomaly detection analysis capability known as the Inquiry Management and Analytical Capability (IMAC) with network-based sensors deployed at 13 DOE/NNSA sites. The multi-site data obtained by the system is correlated, analyzed, and used to identify activity of CI concern.
- The Information and Special Technologies Program began an active partnership with computer security elements to leverage the infrastructure and "lessons learned" from IMAC to field a complex wide analytical capability for security purposes.
- The Counterintelligence Training Academy (CITA) continues to develop additional CI awareness courses as needed and provides training in the following subjects: the Foreign Intelligence Threat, Elicitation Techniques at Scientific and Business Meetings, Economic Espionage, Recruitment and Human Vulnerabilities, and the Technical Threat. Efforts will continue in further developing the job skills applicable to CI Investigative and Analytical professionals and provide significant support to Field Sites' CI Awareness Programs. Additionally, development of Counterintelligence Training (CT) courses for CI professionals will move forward to supplement CT subject matter courses offered throughout the USIC. CT awareness efforts will develop and increase in exposure and offerings for the DOE/NNSA employee populations
- The Investigations Program updated its procedural guide, thus providing more streamlined procedures governing the administration of investigations.

- The Investigations Program established a collections subprogram responsible for the production and dissemination of Intelligence Reports to members of the U.S. Intelligence Community.
- Over the past three years, the Investigations Program has conducted an average of 8,000 briefings and 5,000 debriefings per year. In addition over 700 investigations have been initiated. A significant percentage of these investigations are worked jointly with the FBI.
- The Investigations Program conducted numerous investigations resolving significant allegations or otherwise addressing indications of intelligence collection activities targeted against the Department.
- As a result of the September 11, 2001, terrorist attacks, the DOE CI program initiated a cross program counter terrorism strategy.
- DOE CI initiated a collection management process to improve its dissemination of counterintelligence information to the intelligence community and its customers.
- DOE CI produced its first comprehensive strategic plan to replace the effectively completed Counterintelligence Implementation Plan and continues to drive the CI program forward.

Funding Profile

(dollars in thousands)

	FY 2002 Comparable Appropriation	FY 2003 Request	FY 2004 Request	\$ Change	% Change
Counterintelligence.....	46,083 ^a	45,955	45,955	---	---
Use of PY balances.....	-611	-6,700	0	6,700	---
Total, Counterintelligence.....	45,472	39,255	45,955	6,700	---
Additional net budget authority to cover the cost of fully accruing retirement (non-add).....	(125)	---	---	---	---
FTE's.....	35	35	40	5	---

^a FY 2002 Comparable Appropriation of \$46,125 is reduced by \$42 thousand as a rescission in response to P.L. 107-206, FY 2002 Supplemental Appropriations for Recovery from and Response to Terrorist Attacks on the United States.

Funding by Site^a

(Dollars in thousands)

	FY 2002	FY 2003	FY 2004	\$ Change	% Change
Albuquerque Operations Office					
Los Alamos National Laboratory.....	2,820	2,764	2,764	---	---
Sandia National Laboratory.....	2,014	1,974	1,974	---	---
Pantax.....	982	962	962	---	---
Kansas City Plant.....	450	441	441	---	---
Albuquerque Operations Office.....	1,550	1,519	1,519	---	---
Total, Albuquerque Operations Office.....	7,816	7,660	7,660	---	---
Chicago Operations Office					
Argonne National Laboratory-East.....	1,253	1,252	1,252	---	---
Brookhaven National Laboratory.....	569	563	563	---	---
Total, Chicago Operations Office.....	1,822	1,815	1,815	---	---
Idaho Operations Office					
Idaho National Engineering & Environmental Laboratory.....	1,324	1,323	1,323	---	---
Idaho Operations Office.....	60	56	56	---	---
Total, Idaho Operations Office.....	1,384	1,379	1,379	---	---
Oakland Operations Office					
Lawrence Livermore National Laboratory	4,462	4,374	4,374	---	---
Oakland Operations Office.....	202	198	198	---	---
Total, Oakland Operations Office.....	4,664	4,572	4,572	---	---
Oak Ridge Operations Office					
Oak Ridge National Laboratory.....	957	950	950	---	---
Y-12 Plant.....	590	578	578	---	---
Oak Ridge Operations Office.....	18	22	22	---	---
Total, Oak Ridge Operations Office	1,565	1,550	1,550	---	---
Nevada Operations Office					
Bechtel Nevada.....	609	597	597	---	---
Nevada Operations Office.....	56	57	57	---	---
Total, Nevada Operations Office.....	665	654	654	---	---
Richland Operations Office					
Pacific Northwest National Laboratory...	12,593	12,494	12,494	---	---
Richland Operations Office.....	51	51	51	---	---
Total, Richland Operations Office.....	12,644	12,545	12,545	---	---

^a On December 20, 2002, the National Nuclear Security Administration (NNSA) disestablished the Albuquerque, Oakland, and Nevada Operations Offices, renamed existing area offices as site offices, established a new Nevada Site Office, and established a single NNSA Service Center to be located in Albuquerque. Other aspects of the NNSA organizational changes will be phased in and consolidation of the Service Center in Albuquerque will be completed by September 30, 2004. For budget display purposes, DOE is displaying non-NNSA budgets by site the traditional pre-NNSA organizational format.

Savannah River Operations Office

Savannah River Site.....	91	89	89	---	---
Total, Savannah River Site.....	91	89	89	---	---
Headquarters Program Direction.....	15,432	15,691	15,691	----	---

Total, Office of Counterintelligence	46,083 ^a	45,955	45,955	0	0.0%
Less use of prior year balances	-611	-6,700	0	6,700	---
Total, Office of Counterintelligence	\$45,472	\$39,255	\$45,955	6,700	---

^a FY 2002 Comparable Appropriation of \$46,125 is reduced by \$42 thousand as a rescission in response to P.L.107-206, FY 2002 Supplemental Appropriations for Recovery from and Response to Terrorist Attacks on the United States.

Site Description

The OCI funds CI activities at DOE and NNSA sites. The OCI, in conjunction with the NNSA Office of Defense Nuclear Counterintelligence (ODNCI), manages, implements, and oversees all of the Department's CI activities to include: overall management, guidance and oversight to the Department's field CI organizations; approving, conducting and coordinating all CI policy and investigative matters with the FBI and other law enforcement agencies; analyzing, producing and disseminating threat-related CI information; and, in coordination with the Director of the Office of Intelligence, providing assistance and support to law enforcement authorities in the areas of specialized equipment, technical knowledge, and expert personnel. Field CI organizations exist at DOE and NNSA facilities to include:

- Albuquerque Operations Office,
- Los Alamos National Laboratory,
- Sandia National Laboratories,
- Chicago Operations Office,
- Argonne National Laboratory,
- Brookhaven National Laboratory,
- Idaho Operations Office,
- Idaho National Engineering and Environmental Laboratory,
- Kansas City Plant,
- Nevada Operations Office,
- Bechtel – Nevada,
- Oakland Operations Office,
- Lawrence Livermore National Laboratory,
- Oak Ridge Operations Office,
- Oak Ridge National Laboratory,
- Y-12 Plant,
- Ohio Field Office,
- Pacific Northwest National Laboratory,
- Pantex Plant,
- Richland Operations Office,
- Rocky Flats Environmental Technology Site, and
- Savannah River Operations Office.

CI Officers at these sites also provide CI coverage to other facilities located nearby or otherwise falling under their site's jurisdiction.

Counterintelligence Activities

Mission Supporting Goals and Measures

The Department's CI Program supports the total CI discipline by providing the following capabilities to the National Foreign Intelligence Program: Investigations, Operations, and Production. The CI Program serves seven-core policy and programmatic areas: analysis, investigations, evaluations, inspections, information and special technologies, polygraph and training.

These programs support the goal of the program, to protect DOE and NNSA classified and sensitive programs and information, personnel, and assets from foreign intelligence collection and international terrorist activities; and to detect and deter trusted insiders who would engage in activities on behalf of a foreign intelligence service or foreign terrorist entity.

Funding Schedule

(Dollars in Thousands)

	FY 2002	FY 2003	FY 2004	\$ Change	% Change
Counterintelligence	46,083	45,955	45,955	0	0.0%
Use of PY balances.	-611	-6,700	0	6,700	---
Total, Counterintelligence.	45,472	39,255	45,955	6,700	----

Detailed Program Justification

(dollars in thousands)

FY2002	FY2003	FY2004
46,083	45,955	45,955

Office of Counterintelligence

- Provide consumers with information regarding the foreign intelligence threat to DOE information, technology, and personnel through research, analysis, and production of finished CI products, including threat assessments, case studies, program reviews, formal presentations and briefings.
- Detect and neutralize foreign government and industrial intelligence activities in the United States directed at, or involving, DOE programs, facilities, technology, personnel, unclassified sensitive information and classified information.
- Conduct comprehensive CI vetting of DOE and contractor employees and applicants for employment, and other individuals assigned or detailed to positions at DOE.
- Operate an internal inspection program to annually review the DOE CI Program for adherence to the PDD as well as other existing requirements.
- Conduct CI-scope polygraph examinations for individuals with access to the most sensitive and classified information and materials in connection with DOE's atomic energy defense activities.
- Provide training to DOE CI Professionals and provide CI Awareness information to the DOE workforce.
- The Information and Special Technologies Program gathers information and conducts activities to protect against the cyber dimensions of espionage and other intelligence activities conducted on behalf of foreign powers, organizations or persons that target or threaten DOE, its associated institutions, or the critical infrastructures of the U.S. Energy Sector.
- Provide salaries, benefits, travel, training, support service contracts, and other related expenses necessary to support the CI Program federal staff.

Subtotal, Counterintelligence	46,083	45,955	45,955
Less Use of Prior Year Balances	-611	-6,700	0
Total, Counterintelligence	45,472	39,255	45,955

Counterintelligence

Explanation of Funding Changes from FY 2003 To FY 2004

FY 2004 vs. FY2003 (\$ in 000)

0

- Program Activity Adjustments
- Use of Prior Year Balances
 - The FY 2003 request included the one time use of \$6.7 million in prior year uncosted balances. These funds were used to support the overall Counterintelligence effort at the Department of Energy.

+6,700

+6,700

Total, Funding Change for the Counterintelligence Program

- Increase of Federal FTEs
 - Result of a conversion of 5 support service FTEs to federal FTEs.

+5

Total, FTE Change for the Counterintelligence Program

+5

